

# Budget 2024 should allow past year's TDS credit to be claimed online, current method difficult: Industry

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## **What has the government done to address this issue of TDS?**

To allow individuals to claim TDS credit if it is not deducted in the year when the income occurred, the government notified a specified Form.

"To allow legitimate TDS claims, in cases where credit of TDS is reflected in the subsequent year, the government recently allowed taxpayers to claim the credit of TDS within two years from the end of financial year when TDS was deducted by submitting **Form 71**," says Vishwas Panjiar, Partner, Nangia Andersen LLP, a business and tax consulting group.

Panjiar from Nangia Andersen LLP is also of the same opinion that the time limit for claiming TDS credit is short. He suggests extending the time limit for submitting Form 71. "The general rule, and the logical one too, is that TDS credit should be available only in the year in which the corresponding income is offered to tax. While the time limit of 2 years for making an application is practical, it is hard to argue that it is not restrictive in nature as it presumes that cases of discrepancy will bubble up within a 2-year period. To my mind, there should not be any time limit for claiming TDS credit; however, in the interest of practicality, the government can widen the time limit to coincide with the time available for making rectification applications i.e. 4-year period," he says.